

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

ADJUSTMENT OF RATES OF BEREA)
COLLEGE ELECTRIC UTILITY, A) CASE NO. 8629
DEPARTMENT OF BEREA COLLEGE)

O R D E R

On August 20, 1982, Berea College Electric Utility ("Berea Electric") filed its application to flow through any increase in rates granted to its wholesale power supplier Kentucky Utilities Company ("Kentucky Utilities") by the Federal Energy Regulatory Commission ("FERC"). The Kentucky Utilities wholesale rate increase was requested from FERC in 2 phases, labeled Phase I and Phase II. Berea Electric would experience an increase in power cost of approximately \$345,708 under Phase I and \$411,281 under Phase II. The Phase I increase will result in an overall increase to the customers of Berea Electric of approximately 10 percent.

Berea Electric proposed to allocate the increase in wholesale cost to its customers with an energy adder charge. Berea Electric also proposed to use the energy adder to increase the rates for 175 watt and 400 watt lights in Class 5, Area Lighting Service and Class 6, Street Lighting Service, and to round these rates to the nearest \$.50.

On September 21, 1982, a hearing was held in the Commission's offices in Frankfort, Kentucky. No protests were entered.

At the hearing, Berea Electric testified that FERC has permitted the Kentucky Utilities Phase I wholesale rate increase to become effective on September 23, 1982, with Phase II rates suspended for 5 months.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. The increase that FERC has permitted Kentucky Utilities to put into effect on September 23, 1982, subject to refund, will result in an increase of power cost to Berea Electric of \$345,708.

2. Berea Electric is entitled to recover the increased wholesale power cost, and the financial condition of Berea Electric would be materially impaired if it were not allowed to recover this additional cost.

3. The energy adder charge is an equitable method to use in allocating the increased power cost to Berea Electric's customers; however, the rates for 175 watt and 400 watt lights in Classes 5 and 6 should not be rounded.

4. The rates and charges in Appendix A are designed to reflect only the increased wholesale power cost approved by FERC for Kentucky Utilities and are subject to refund.

5. The flow-through of the wholesale power cost increase will not result in any additional net margin to Berea Electric.

IT IS THEREFORE ORDERED that Berea Electric be and it hereby is authorized to flow through the increase power costs resulting from the increase granted its wholesale power supplier, Kentucky Utilities.

IT IS FURTHER ORDERED that the rates and charges in Appendix A are approved for service rendered by Berea Electric on and after September 23, 1982, subject to refund.

IT IS FURTHER ORDERED that the rates proposed by Berea Electric be and they hereby are approved, with the exception of the rates for lighting service in Classes 5 and 6.

IT IS FURTHER ORDERED that Berea Electric shall maintain its records in such a manner that, should a refund be required by FERC, the refund to the customers of Berea Electric could be quickly determined.

IT IS FURTHER ORDERED that Berea Electric shall provide to the Commission a copy of the FERC decision in the Kentucky Utilities wholesale rate case when available .

IT IS FURTHER ORDERED that Berea Electric shall file within 30 days from the date of this Order its revised tariff sheets setting out the rates and charges approved herein.

Done at Frankfort, Kentucky, this 28th day of September, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Votz
Chairman

Katherine Randall
Vice Chairman

Don Carney
Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 8629 DATED SEPTEMBER 28, 1982

The following rates and charges are prescribed for the customers in the area served by Berea College Electric Utility. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this Order.

<u>RESIDENCE SERVICE - CLASS I</u>		<u>RATE PER UNIT</u>
<u>Rates:</u>		
First	200 KWH per month	5.143¢/KWH
Next	300 KWH per month	4.943¢/KWH
All Over	500 KWH per month	4.153¢/KWH

Service Charge: \$2.50 per meter per month

<u>COMMERCIAL LIGHTING AND POWER SERVICE - CLASS 3</u>		<u>RATE PER UNIT</u>
<u>Demand Rates:</u>	For service of each KW demand	\$ 1.50/KW
<u>Energy Rates:</u>		
First	500 KWH per month	5.623¢/KWH
Next	3,500 KWH per month	5.063¢/KWH
All Over	4,000 KWH per month	4.563¢/KWH

Service Charge: Per Month \$5.00 per meter

<u>INDUSTRIAL USERS AND LARGE COMMERCIAL USERS - CLASS 4</u>		<u>RATE PER UNIT</u>
<u>Demand Rates:</u>	For service for each KW of demand per month	\$5.00/KW
<u>Energy Rates:</u>	All KWH	3.520¢/KWH
<u>Minimum Charge:</u>	Per month	\$880

AREA LIGHTING SERVICE - CLASS 5

RATE
PER UNIT

Type of Service: One hundred seventy-five (175)
Watt Mercury Vapor Lunimairs

Rates: Per light, per month

\$6.36

STREET LIGHTING SERVICE - CLASS 6

RATE
PER UNIT

Rates Per Month:

Street Lighting 400 Watt M.V.

\$8.82

Street Lighting 175 Watt M.V.
(lights installed on existing poles)

\$5.36

Street Lighting 175 Watt M.V.
(installation of the light requires
setting a new pole)

\$6.36